

Michelle A. Thomas
Executive Director-
Federal Regulatory

SBC Telecommunications, Inc.
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January 31, 2003

JAN 31 2003

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW, Room TW-A325
Washington, D.C. 20554

RE: In the Matter of Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Ameritech Corporation, Transferor, To SBC Communications, Inc., Transferee.
(CC Docket No. 98-141)

Dear Ms. Dortch:

Pursuant to the Pronto collocation requirements of the Federal Communications Commission's (FCC) *Pronto Modification Order*,¹ SBC Communications Inc. (SBC) submits herein the report of its independent auditor, Ernst & Young LLP, regarding the Company's compliance during the period January 1, 2002 through December 31, 2002. As noted in its letter released August 30, 2002, the FCC granted an extension of time for SBC to report on its compliance with the Pronto collocation requirements until October 18, 2002.² Additional extensions of time until January 18, 2003³ and January 31, 2003 were subsequently granted.⁴

¹ The Pronto Collation Requirements are set forth in paragraphs 5(a), 5(b)(1), 5(b)(2), 5(c), 5(d), and 6 of Appendix A of the *Second Memorandum Opinion and Order* (FCC 00-336), 15 FCC Red. 17521 (2000), which modified the Merger Conditions set forth in Appendix C of the Federal Communications Commission's ("FCC's") Order Approving the SBC/Ameritech Merger (*Applications of Ameritech Corp. and SBC Communications Inc. for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commission's Rules, CC Docket No. 98-141, Memorandum Opinion and Order*, 14 FCC Red 14712 (1999)).

² Letter from Ms. Maureen Del Duca, FCC, to Ms. Caryn Moir, SBC, released August 30, 2002.

³ Letter from Ms. Maureen Del Duca, FCC, to Ms. Michelle Thomas, SBC, released October 18, 2002

⁴ Letter from Ms. Maureen Del Duca, FCC, to Ms. Michelle Thomas, SBC, released January 17, 2003.

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Once SBC has had an opportunity to thoroughly conduct a review of this report and the auditor's work papers, SBC will be prepared to respond to or otherwise address any issues contained in them

Sincerely,

A handwritten signature in black ink, appearing to read "m. thomas", with a stylized flourish at the end.

Michelle A. Thomas
Executive Director-Federal Regulatory

Attachments

Cc: Ms. Maureen Del Duca
Mr. Anthony Dale
Mr. Hugh Boyle
Mr. Mark Stephens
Ms. Mika Savir



SBC Communications Inc.
175 E. Houston Street
San Antonio, Texas 78205

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**Report of Management on Compliance with the
Pronto Collocation Requirements**

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Management of SBC Communications Inc. (SBC or the Company) is responsible for compliance with the Pronto Collocation Requirements.¹ Management is also responsible for establishing and maintaining effective controls over compliance with the Pronto Collocation Requirements.

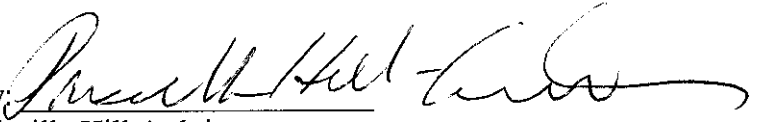
The Company has made the following interpretation regarding compliance with the Pronto Collocation Requirements that differs from the FCC interpretation of compliance with the Pronto Collocation Requirements. The Company believes the Pronto Collocation Requirements apply to those remote terminals deployed after September 15, 2000 that provide digital subscriber line (DSL) service. On August 29, 2002, in a letter from Ms. Maureen F. Del Duca of the FCC Enforcement Bureau to Mr. Jim Lamoureux of SBC, the FCC Staff issued an interpretation that the Pronto Collocation Requirements should apply to remote terminals deployed after September 15, 2000 using a Next Generation Digital Loop Carrier (NGDLC) architecture that includes not only remote terminals that provide digital subscriber line (DSL) service, but also remote terminals that are capable of providing DSL service. The Company disputed certain aspects of the FCC Enforcement Bureau interpretation in an Application for Review dated September 30, 2002. Nonetheless, the Company's assessment of compliance with the Pronto Collocation Requirements referred to below is based on the aforementioned FCC Staff interpretation.

We have performed an evaluation of the Company's compliance with the Pronto Collocation Requirements as of December 31, 2001 and for the year then ended. Based on this evaluation, we assert that for the year ended December 31, 2001, SBC complied with the Pronto Collocation Requirements.

¹ The Pronto Collocation Requirements are set forth in paragraphs 5(a), 5(b)(1), 5(b)(2), 5(c), 5(d), and 6 of Appendix A of *Second Memorandum Opinion and Order* (FCC 00-336), 15 FCC Rcd. 17,521 (2000), which modified the Merger Conditions set forth in Appendix C of the Federal Communications Commission's ("FCC's") Order Approving the SBC/Ameritech Merger (*Applications of Ameritech Corp. and SBC Communications Inc. for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commission's Rules*, CC Docket No. 98-141, *Memorandum Opinion and Order*, 14 FCC Rcd 11712 (1999)).

Report of Management on Compliance with Pronto Collocation Requirements
January 30,2003

Very truly yours,

By: 

Priscilla Hill Ardoin

Senior Vice President-Regulatory
Compliance

Date: 1/30/03

Report of Management on Compliance with Pronto Collocation Requirements

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Very truly yours,

By: Wayne Masters

Wayne Masters

Senior Vice President-Network Services

Date: 1-29-03